

September 20, 2004

**MEMORANDUM**

**TO:** Finance, Administrative, and Human Resource Officers  
All State Agencies

**FROM:** Ruth Mealy, Director  
Payroll and Tax Reporting Division  
Office of Financial Management

**SUBJECT:** Annual Hours for Unclassified Employees for FY05

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The purpose of this memorandum is to advise agencies of a change in Annual Hours for Unclassified Employees. Annual Hours for Unclassified Employees need to be changed from 2096 to 2080. The changes to the Annual Hours will be effective for the pay period beginning September 26, 2004. These changes must be processed by October 11, 2004 or the affected employees will be underpaid.

If there are no changes to the employee's base pay rate, this change in the Unclassified Employees' Annual Hours will result in a slight increase in gross wages per pay period.

Example:     Salary of \$100,000.00 / 2080 \* 80 = \$3,846.15  
                 Salary of \$100,000.00 / 2096 \* 80 = \$3,816.79

Changes to the Unclassified Employees' Annual Hours can be accomplished by processing a Personnel Action. On the PA52.1, select Action Code and then MISCUPDATE to change the Annual Hours. Human Resources offices are responsible for ensuring all Unclassified Employees' Annual Hours have been changed correctly and timely.

As a result of the change in estimation methods for cumulative fiscal year payroll expenditures, the Annual Hours for Unclassified Employees will no longer need to be changed annually.

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For further information regarding payroll at fiscal year end, please refer to SOMFMG, Part IV, Chapter 7. Please refer any questions regarding this memo to Patrick Hague, Office of Financial Management, Payroll and Tax Reporting Division at (517) 241-3204.

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